

Received
2/7/2000

From:

John D. Sullivan
Pitzer College
1050 N. Mills Ave
Claremont, CA 91711 john_sullivan@pitzer.edu

Remarks at California Water Plan update hearing Feb 7, 2000, San Bernardino

DEMAND ESTIMATES:

The new DWR Bulletin 160-2003 plan should include basic economic criteria in addressing the balance of supply and demand. It is important for the plan to recognize that supply, demand, and price are all interrelated. In particular, it is imperative that DWR get the baseline numbers of demand correct. To this end, it is not sufficient to base future projections of demand simply on past levels of demand. This might be a starting point.

PROPER MODELS

DWR should employ economists to develop econometric models of demand based on factors that seem to affect demand for water. Such models can be fine-tuned over time to produce better and better estimates of demand for water. I believe that such models are currently used by SCMDW in their demand estimates.

BAD ESTIMATES

It is important to keep in mind that over estimating demand can lead to wasteful public investments in unneeded projects. Underestimating demand can lead to shortages. Thus an estimate as accurate as possible is essential and econometric techniques can take DWR in that direction.

WILLINGNESS TO PAY

It is also important to incorporate 'willingness to pay' as a criterion for developing new water management techniques. If no interested party is willing to pay for a particular water management development tool, it should not be pursued.

BAD PROJECTS

DWR should eliminate all proposed data projects that violate existing law, have been rejected by Congress, have been judged as not cost effective by regulatory agencies, conflict with existing environmental protection and ecosystem restoration goals, and are

environmentally destructive. Such projects include the Auburn Dam on the American River and the Devils Nose and Middle Bar dams on the Mokelumne River.

BLUEPRINT

DWR should look to the EWC's Blueprint for an Environmentally and Economically sound Water Supply Reliability Program. The Blueprint describes programs that speak to water use efficiency, conservation measures, reclamation opportunities, and incentive programs. The new plan needs to contain the possible water supplies that additional water conservation and recycling could provide.

GROUNDWATER

Finally, the 2003 Plan should propose effective statewide regulation of groundwater to prevent groundwater depletion and the adverse environmental and economic effects that would result.